

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

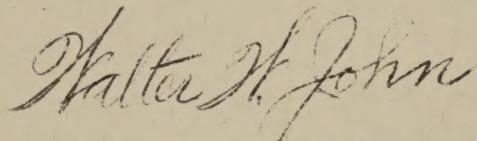
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January 20, 1948

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area
From: Walter W. John, Chief, Information Branch, Production and Marketing Administration, Midwest Area, Chicago, Illinois

ABOUT OUR BOSSES



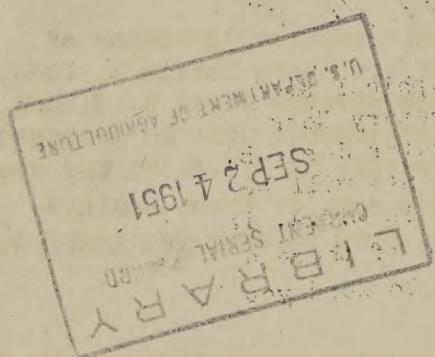
Our Washington Office has prepared and sent to us biographical sketches of Secretary of Agriculture Clinton P. Anderson, Under Secretary Norris E. Dodd, Assistant Secretary Charles F. Brannan, P.M.A. Administrator Jesse B. Gilmer, and Deputy Administrator Ralph S. Trigg. Similar statements will be prepared on twenty-five or thirty other top administrative people in P.M.A. in the near future. If you need copies of these statements when some of these administrative personnel are in your community, we will be glad to send you individual copies.

PERISHABLE AGRICULTURAL COMMODITIES ACT (Our get acquainted story this week is about the Perishable Agricultural Commodities Act popularly referred to as PACA. In addition to discussion of the purpose and provisions of the Act, we are also giving you a summary of activities of the Regulatory Division during the calendar year 1947.)

The Perishable Agricultural Commodities Act, enacted in 1930, is a regulatory statute administered by the PMA Fruit and Vegetable Branch, which is authorized to make investigations, hold hearings, issue orders awarding damages, and, when warranted, to suspend or revoke licenses. The expressed purpose of the act is to suppress unfair and fraudulent practices in the marketing of fresh or frozen fruits or vegetables in interstate or foreign commerce.

It declares certain practices to be unfair, such as rejection or failure to deliver the commodity in accordance with the terms of the contract, without reasonable cause; failure truly and correctly to account and pay promptly for produce purchased or handled on consignment; the making of false or misleading statements for a fraudulent purpose; misbranding or other misrepresentation, and failure to perform any duty, express or implied, arising out of the transaction.

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Complaints of alleged violations claiming damages must be filed within 9 months from the date the cause of action occurred and may be made direct to the Department in Washington (to T. C. Curry, Chief, Regulatory Division) or to branch offices in New York, Chicago, or Los Angeles. The Chicago Branch Office, located at 1421 South Aberdeen, supervises PACA activities in the area extending from Colorado to Ohio and from Canada to the Gulf. W. A. Hilgeson is in charge of the Chicago office. Telephone number is Canal 6353.

At the close of the calendar year 1947 there were in effect 23,953 licenses issued under the Perishable Agricultural Commodities Act to commission merchants, dealers and brokers handling fresh or frozen fruits and/or vegetables in interstate or foreign commerce. This was the largest number in effect since the law was enacted. Prior to 1945 the usual number of licenses was around 19,000. At the beginning of the calendar year there were 23,214 licenses in effect. This is an increase of 739 during 1947.

It is interesting to note that 1200 more licenses were renewed in 1947 than during 1946. Accordingly, the license fees received increased \$15,953.00, the total receipts for the year being \$256,273.91, which was about \$20,000 more than the total expenditures for enforcing the Act plus enforcement of the Produce Agency Act, the Export Apple and Pear Act, and the Standard Container Acts.

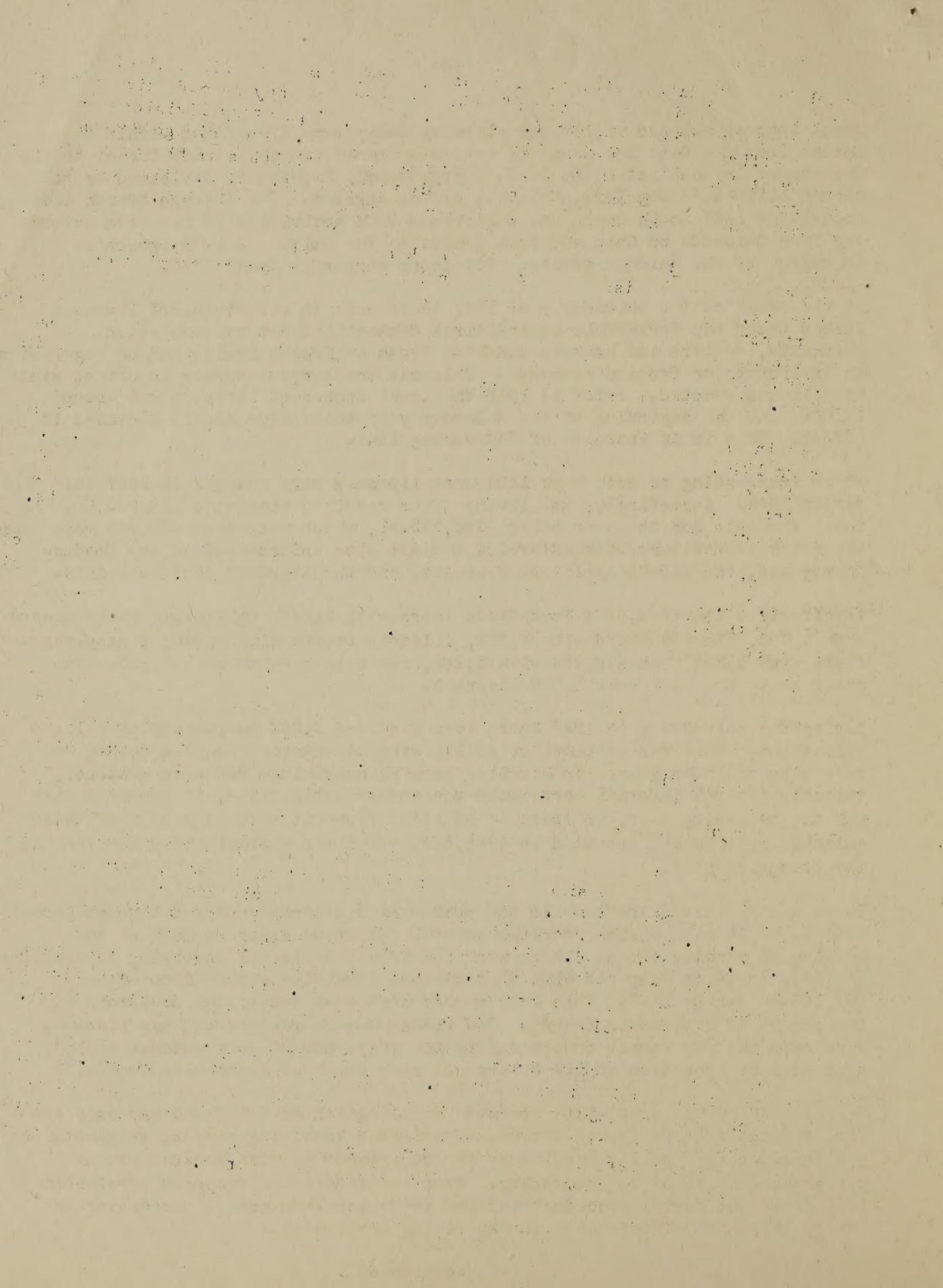
In effective licenses, New York State leads with 2,545, California ranks second with 1,792, Florida third with 1,382, Illinois fourth with 1,360, Pennsylvania fifth with 1,322, Texas sixth with 1,244, and Ohio seventh with 1,113. No other state has more than 1,000 licenses.

During the calendar year 1947 there were received 2,267 complaints of alleged violations. This was an increase of 171 over the number received during the preceding calendar year. In handling pending complaints 960 were settled amicably through informal correspondence and investigations, as compared with 849 the preceding year, an increase of 111. Payments made as result of these amicable settlements amounted to \$888,542, which was approximately the same as the preceding year.

There was a decided increase in the number of decisions rendered through formal action, as it was possible through special effort to clear up much of the backlog of pending cases. There were 136 formal decisions involving reparations of \$184,996.94 as compared with 70 decisions involving reparations of \$87,160.36 during 1946. This represented more than double the decisions and the amount of reparation awards. Two licenses were revoked and two licenses were suspended by formal orders during the year, but 21 were automatically suspended by operation of law because of nonpayment of reparation awards.

Nearly half of the complaints are made by telegraph or telephone and only about five percent require formal action. Complaints involving current shipments not yet unloaded are usually handled by the Department by wire because of the perishable nature of the commodity. Most complaints are disposed of without long drawn out formal procedure and the trade more and more is accepting the advice given and efforts made in expediting settlements.

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To enable the Regulatory Division to give more complete coverage to the country than has been possible thus far, three technical men have been added to the field force to do license work, that is, to secure applications from those who may be operating without the required federal license. One technical man has been added to the staff in the Washington office and is now receiving training in the handling of complaints of violations.

POULTRY BRANCH

Branch last week submitted to poultry industry representatives two proposals for further recommendations or approval. These would change tentative U. S. Standards for Classes, Quality of Individual Birds, and Grades for Live Poultry.

In keeping with requests from certain segments of the industry, one proposal would reestablish grades for live poultry on a three grade basis -- A, B, and C. This would replace the present two-grade plan which has been in operation since 1944 when the change from the original three-grade system was made to bring about conformity with OPA regulations.

The second proposal is a two-grade plan similar to the one now in effect, but including changes in classifications and specifications.

Approval or further suggestion covering either of the two proposals has been requested by the Branch within 30 days, in the hope that the adopted plan can be put in operation in May or June this year.

The proposals cover the grading of all live poultry including chickens, turkeys, ducks, geese, guineas, and pigeons. They have been sent to representatives of State departments of agriculture; inspection, marketing, and grading officials, State colleges of agriculture, agricultural education supervisors, and poultry industry officials and leaders.

W. D. Termohlen, Branch Director and a member of the National Chicken of Tomorrow Committee met with other committee members in Chicago last week to discuss plans for continuation of the entire "Chicken of Tomorrow" plan after this year. A national poll was taken recently among poultrysmen and others interested and continuation met with general approval.

Finals of the original contest, begun two years ago by a major chain store concern as a means of developing a superior market chicken, will be held at Georgetown, Delaware, in June this year. An award of \$5,000 will go to the breeder of the chickens winning the "Chicken-of-Tomorrow" designation.

Branch officials believe that at best there is only a slim chance of egg producers cutting their laying flocks to the 380,000,000 level set as the industry's February 1 goal. Culling operations in December cut laying flocks to 428,000,000 head on January 1. This was a better showing than either Branch officials or industry leaders expected following mid-December when it was indicated that at least 445,000,000 birds remained on farms.

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the following day, the 27th, he was sent to the 20th Inf. Regt. at the 2nd Div. HQ. and was told to go to the 2nd Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ.

On the 28th he was sent to the 2nd Inf. Regt. at the 1st Div. HQ. and was told to go to the 1st Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ.

On the 29th he was sent to the 2nd Inf. Regt. at the 1st Div. HQ. and was told to go to the 1st Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ.

On the 30th he was sent to the 2nd Inf. Regt. at the 1st Div. HQ. and was told to go to the 1st Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ.

On the 31st he was sent to the 2nd Inf. Regt. at the 1st Div. HQ. and was told to go to the 1st Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ.

On the 1st he was sent to the 2nd Inf. Regt. at the 1st Div. HQ. and was told to go to the 1st Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ.

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On the 3rd he was sent to the 2nd Inf. Regt. at the 1st Div. HQ. and was told to go to the 1st Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ.

On the 4th he was sent to the 2nd Inf. Regt. at the 1st Div. HQ. and was told to go to the 1st Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ.

On the 5th he was sent to the 2nd Inf. Regt. at the 1st Div. HQ. and was told to go to the 1st Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ.

On the 6th he was sent to the 2nd Inf. Regt. at the 1st Div. HQ. and was told to go to the 1st Inf. Regt. at the 1st Div. HQ. and to report to the 1st Inf. Regt. at the 1st Div. HQ.

POULTRY BRANCH (Con't)

To reach the February 1 goal, however, farmers would have to cull 48 million birds in January, which is about twice the normal rate of culling for this month.

The Branch has enlisted the aid of three widely known poultry specialists to help carry on two of its major research and marketing projects. A. D. Odekirk, former Iowa State College poultry specialist, will head Branch studies concerning the extent of egg losses and quality deterioration in eggs in transit between producers and carlot shippers.

Assisting Mr. Odekirk in the project, which is being conducted with the cooperation of agricultural experiment stations in 14 North Central States is Wesley Hansen, formerly of OPA's Poultry Section.

Earl Rinear, formerly of Rutgers University teaching staff, has joined the Branch to head a research and marketing project for the North East States, Delaware and Maryland which involves the study of losses and other economic factors in the transportation of baby chicks and hatching eggs.

DAIRY BRANCH

District Court for Northern District of Ohio has granted the Government's motion for a mandatory injunction to compel handlers under Cleveland's Milk Order 75 to pay administrative assessments, notwithstanding pending litigation challenging the validity of Federal regulation of the Cleveland market. This action is significant in that it relates to a vital part of all Federal milk marketing orders. The court issued a preliminary injunction requiring payment of these administrative assessments pending final decision on the validity of the entire order.

A meeting to consider termination of the emergency period in Greater Boston milk marketing area was held January 15 at Boston. Declaration of this emergency period allowed for milk imports from other than regular sources because of a milk shortage.

Branch officials attended a meeting of Ohio Milk Producers Federation, held at Columbus on January 7. At the meeting, representatives of Ohio State University reported on research work on a Class I pricing formula. Arrangements were then made to call in neighboring agricultural colleges for collaboration on this work. At present, however, little has been done by producers on a local market basis. Further discussion was held at a similar meeting in Columbus on January 12, attended by representatives of Fluid Milk Division.

A preliminary decision was signed recently for Louisville market, recommending that no action be taken on proposals to extend December floor price for a limited period this year. A final decision has gone for signature for the New York Order, following receipt of industry exceptions. The decision covers issues (primarily class prices for excess milk) not previously disposed of. Meanwhile, a meeting of the New York Milkshed Price Committee is scheduled for January 20. Subcommittees previously assigned to study various aspects of the problem of pricing fluid milk are scheduled to report on that date. The committee has scheduled two conferences, one on January 26 at Syracuse and the

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DAIRY BRANCH (Con't)

other on February 2 at New York City. At this time, industry representatives may appear and express their views.

MARKETING RESEARCH BRANCH

F. L. Thomsen, Branch Director, addressed the annual meeting of the American Marketing Association in Chicago on December 29 on "Reducing Costs of Marketing Farm Products." He covered the same subject in a talk before the State goals conference at Harrisburg, Pennsylvania, January 12.

A Branch representative is spending several days in Florida making arrangements with the Agricultural Experiment Station and the Florida Vegetable Prepackaging Council for getting under way a cooperating study of prepackaging of vegetables. Other Branch people were visiting Ohio, Indiana, Illinois, Missouri, Colorado, Utah, and Minnesota, last week and this week, to discuss development of RMA marketing projects with representatives of the State Departments of Agriculture.

Illinois is the tenth State for which a general distribution project has been approved by the Administrator of the Research and Marketing Act. This project, similar to those approved for Virginia, North Carolina and several other States, is to be carried out by State Division of Markets. It is designed to improve marketing methods and practices and to expand market outlets for farm products.

Recommendations regarding 1949 RMA projects, which were submitted directly to the Administrator of RMA by the Branches of PMA, or designated representatives, are now being summarized and tabulated in cooperation with the Budget and Management Branch. These project tabulations are also being reviewed to avoid duplication of activities and to aid in the formulation of a coordinated overall program for PMA.

GRAIN BRANCH

Programs in process of development include grain allocations for March 1948, and beans and peas allocations for January-June 1948.

Corn drying tests have been made on a total of 64,350 bushels. In Indiana, dried corn netted 30 to 40 cents per bushel above wet corn prices, with power and fuel costs to remove 10 percent moisture from ear corn running 2 1/2 to 9 1/2 cents per bushel.

Field representatives of the Branch report that high cost of dairy feed is disturbing dairy farmers in Minnesota, Wisconsin, and Northern Iowa.

Hybrid seed corn breeders in Southern Minnesota and Wisconsin are reportedly putting away one of the best crops of seed corn (in quality and germination) in several years.

FATS AND OILS BRANCH

Reports indicate that the Philippine copra industry was considerably damaged by the typhoon that hit the islands at Christmas time. This year's production may be down 15 to 30 per cent from earlier expectations.

New Assistant Director of the Branch is Robert ("Bob") M. Walsh, who has been with BAE since 1934. Recently, Bob Walsh has been a special assistant to the Chief of BAE; before that, he headed up economics work on fats and oils and other commodities.

FRUIT AND VEGETABLE BRANCH

The market has been weaker for all classes of Florida citrus, with demand for fresh citrus very slow. Tangrines showed a particularly sharp decline last week. Texas citrus processing has been slow to get under way.

Department of Commerce has been meeting with canners and others to discuss the possibility of issuing a tin order along the lines of old M-81.

Price support operations continue for potatoes, largely in Maine and the Red River Valley.

Purchases of 1947 crop Irish potatoes from March 1947 through January 13, 1948 totaled 12,550,406 hundredweight. Of this amount 1,470,588 hundredweight went to direct distribution; 1,028,066 to livestock feed; 3,148,894 to alcohol; 471,842 to dehydration; 2,220,522 to export; 210,681 to flour; 1,046,949 to starch; 84,530 to experimental use; 2,582,784 to commercial storage; 281,075 were lost; and 4,475 were unreported.

FOOD DISTRIBUTION PROGRAMS BRANCH

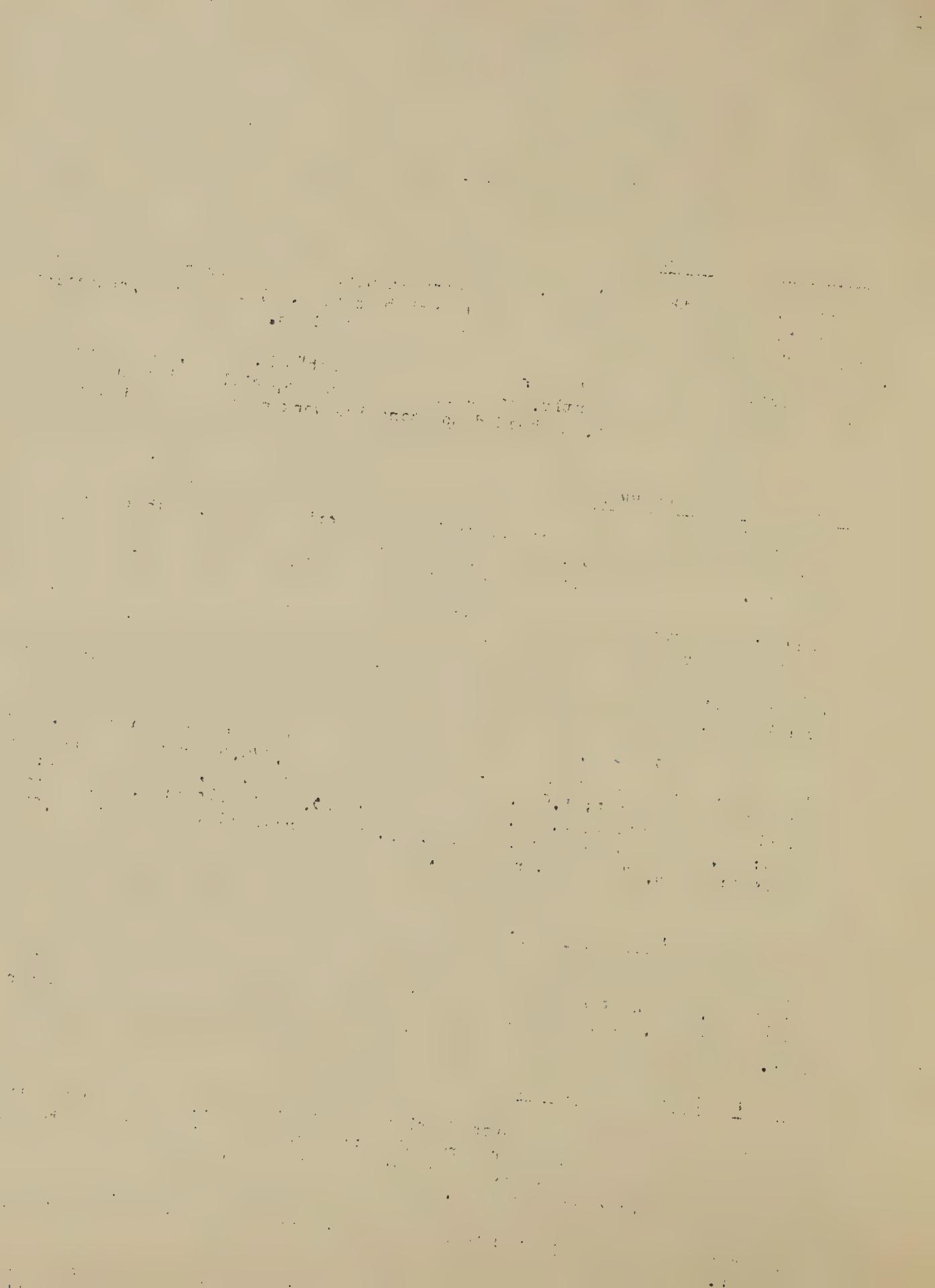
Bids offering concentrated orange juice will be opened this week, and if acceptable, an undetermined supply will be purchased for school lunch with Section 6 funds. This will wind up concentrated orange juice purchases for the year.

MARKETING FACILITIES BRANCH

The Middle Atlantic State Motor Carrier Conference, Inc., has asked the Interstate Commerce Commission for permission to increase motor carrier rates in the Middle Atlantic region to be effective January 31. The branch plans to protest these proposed increases.

Boxcar supplies are reported to be easier now than at any time since before the war.

The Regional Shippers Advisory Board (a group that advises the American Railroad Association) forecasts an increase in all railcar loadings of 3.5 percent for the first 3 months of 1948 over the same period of 1947.



COTTON BRANCH

Officials here believe that termination of the marketing quotas on 1948-crop peanuts will have an effect on this year's cotton acreage. They believe that a large part of the acreage diverted from peanuts would have gone into cotton. Recently, prices for peanuts have been relatively more favorable than for cotton.

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January 28, 1948

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: Walter W. John, Chief, Information Branch, Production and Marketing Administration, Midwest Area, Chicago, Illinois

Walter W. John

GRAIN STANDARDS AND INSPECTION

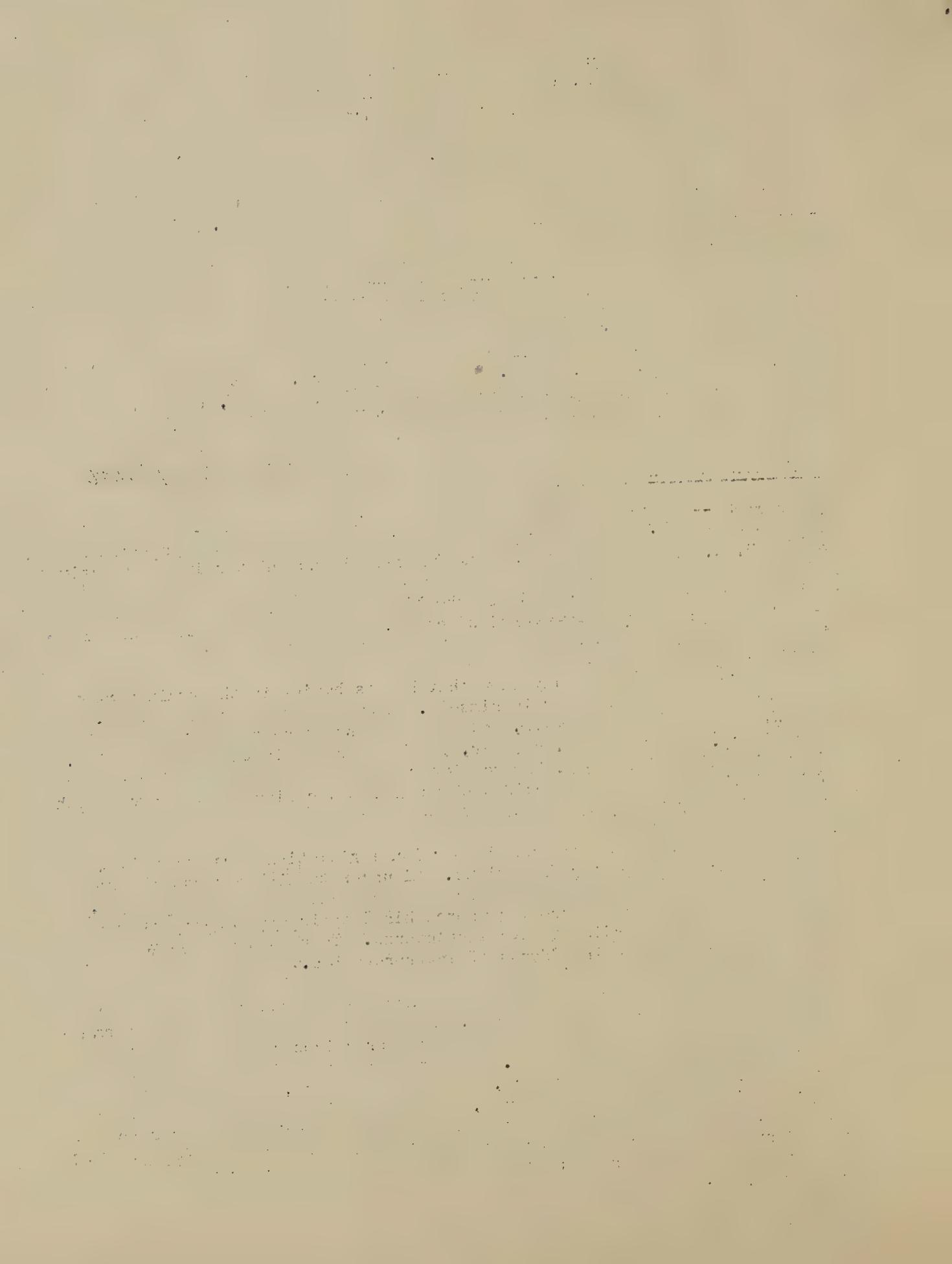
(This week -- let's get acquainted with the Grain Standards and Inspection Service of the Production and Marketing Administration -- the provisions of the U. S. Grain Standards Act and the men who administer it so effectively

The grain market would probably be the biggest mess in the world if it weren't for grain standards and inspection. In fact, at one time that is just about what it was.

Forty years ago nobody really knew what he was buying in the grain market unless he set eyes on the grain himself. A buyer might bargain for No. 2 Hard Winter wheat, for example, and get the very poorest quality of grain on delivery. The producer, however, may have traded in the best of faith. His grain WAS graded as No. 2 Hard Winter wheat in his own locality -- was it his fault if the grain specifications in his locality did not agree with those of other areas?

The need for grain standards and inspection legislation arose from just such confusing and chaotic conditions. Misunderstanding was especially bad in interstate and foreign commerce simply because individual states, boards of trade and chambers of commerce hired their own inspectors who graded the grain according to local standards. There was no central point to coordinate their efforts of interpretation.,

More than 40 years ago the Department of Agriculture undertook the task of standardization research in grain. A start was made down on the farm to see what Mother Nature and good cultural practices could be expected to produce in the way of quality. The grain was then followed on its journey through country elevators, terminal elevators, into the channels of processing for feed and food use, and then on into export commerce across the seas. This standardization research has been carried on ever since in an effort to keep abreast of producing and merchandizing conditions as they have developed and improved; as well as the uses to which our various grain crops are put.



The research was to set up uniform measures of quality and condition which could be translated in a non-technical way to the day-to-day inspection of grain all over the nation.

Then Congress put the results of this standardization research to work. Back in 1916, the United States Grain Standards Act was passed. It was a mandatory statute. This Act authorizes the Secretary of Agriculture to declare official standards for grain, to license inspectors to apply the standards, to supervise the work of the licensees, and to handle appeals from their inspection upon application of interested parties. The law requires the use of the Federal grades for grain which is sold by grade in interstate or foreign commerce. It requires that grain sold by grade must be officially inspected if it is shipped from or to an inspection point. The law contains provisions designed to prevent fraud and misrepresentation.

Grain standards have been made effective for wheat, corn, oats, feed oats, mixed feed oats, barley, rye, grain sorghums, flax seed, soybeans and mixed grain. Standards have been issued also for another group of commodities. These do not fall under the Grain Standards Act and thus are not mandatory. But the value of these standards has been demonstrated in trading where a common language must be spoken to arrive at a meeting of the minds in settling contracts. This group includes dry edible beans, dry edible peas, rice, hay, straw, and hops.

There are 35 grain supervision districts throughout the country. Each has a district headquarter with a District Grain Inspection Supervisor in charge. More than 2,000,000 official inspections were made under the Grain Standards Act alone last year. They were made by licensed inspectors and covered more than 4,000,000,000 bushels of grain.

The administration and coordination of the efforts of the 447 inspectors now licensed by the Department, are a sizable undertaking. Mechanical equipment is used in the grading service, but many of the determinations must rest upon expert human judgment.

The administration and enforcement of the Act are lodged in the field so that the service will be close to "trouble spots." It is headed by General Field headquarters at Chicago under the direction of Hazen P. English who has a background of 30 years experience in grain inspection work.

Supervision districts in the Midwest Area are located at Chicago, Duluth, Minneapolis, Sioux City, Omaha, St. Joseph, Missouri, Kansas City, St. Louis, Peoria, Milwaukee, Indianapolis, Toledo and Cincinnati. Biggest inspection point is Minneapolis with a 1947 record of 250,000 carlot inspections; Kansas City was second with 200,000, and Chicago third, with 175,000.

DAIRY BRANCH

On first acceptance day, January 22, USDA bought 47,000 cases of evaporated milk out of 115,500 cases offered. Approximately 53,000 cases more are to be bought, all for relief feeding in Greece. Price range of January 22 purchases was \$5.47-\$5.65 per case. Each Tuesday and Thursday continue to be offer and acceptance days, respectively.

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DAIRY BRANCH (con't.)

The Secretary has sent out letters requesting members of industries affected by the Marketing Agreement Act of 1937 to serve on a committee to consider methods for improving departmental processes in issuing agreements and orders, and amendments to them.

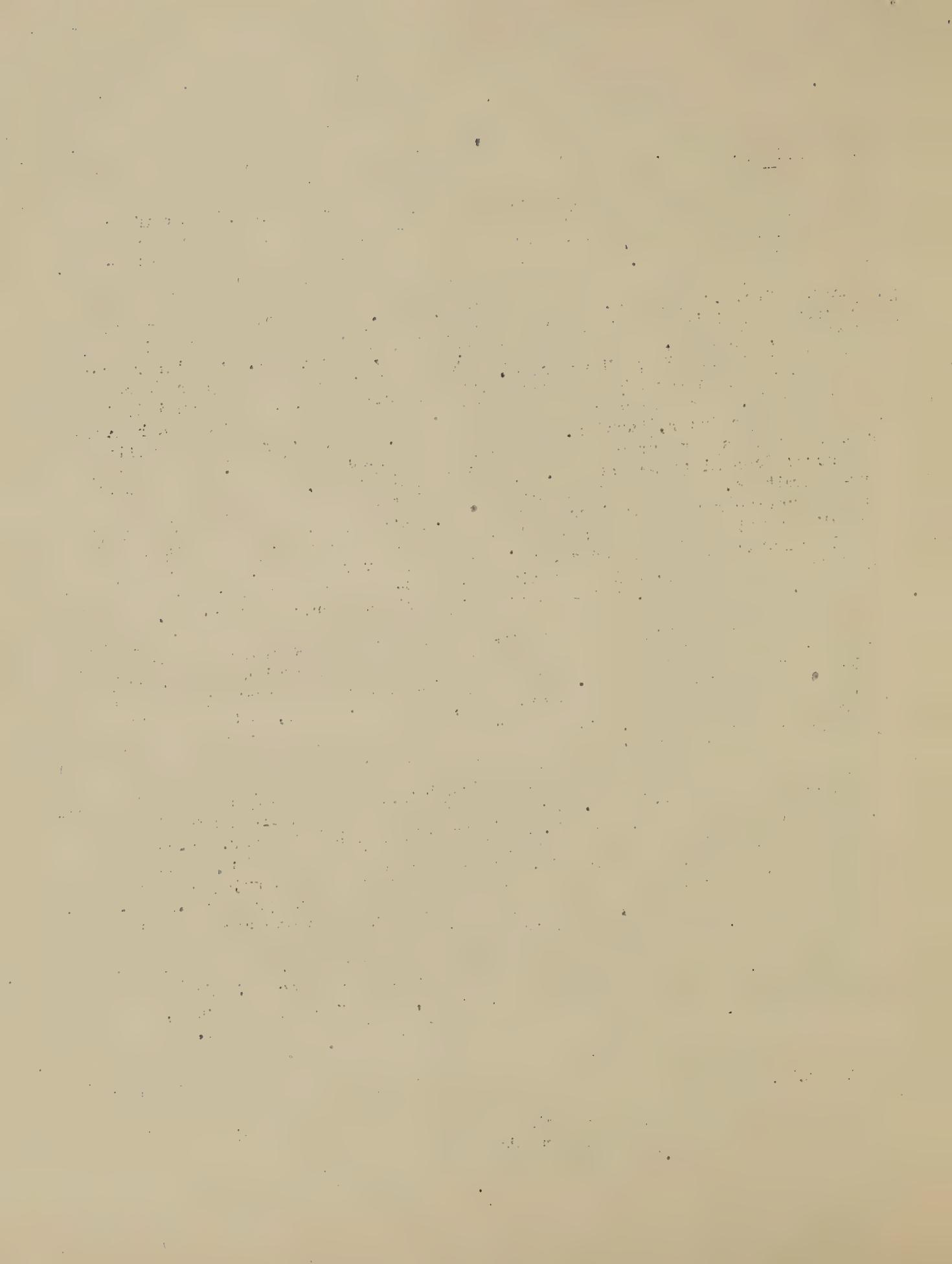
Branch officials met recently at Columbus, Ohio, with cooperative managers and market administrators of the six Ohio Federal order markets (Cincinnati, Cleveland, Columbus, Dayton-Springfield, Toledo, Tri-State), and with representatives of Ohio State University. Discussion centered on a plan to be followed in further study and development of pricing formulas on an individual market basis. Market administrators are to appoint a committee in each market composed of producer, handler, and if possible, consumer or general public representatives for purpose of developing new Class I formulas. A member of the Rural Economists Department, Ohio State University, will meet with each such committee. January 30 was set as a tentative date for another meeting of cooperative representatives in Columbus. Also discussed at the recent Columbus meeting was interim Class I price relief during spring of 1948 should manufacturing milk prices become abnormally depressed. Recently at Ohio State University, representatives from State agricultural colleges in Michigan, West Virginia, and Kentucky met to discuss pricing formulas.

A meeting of Branch officials and Editor of the Federal Register to discuss proposed recommendations of Committee on Departmental Techniques and Procedures was held last week. Results included agreement that publication of hearing notices, recommended decisions, final decisions, and final orders would be effected with a one-day interval after receipt of material in place of present 2-day interval.

A recommended decision on hearing held November 24-25 on New Orleans milk order was completed last week. Principal Branch recommendations are (1) establishment of floor prices (\$5.25 for March through September, \$5.69 for October through February, 1949), (2) an increase of 25 cents per hundred-weight in the Class I differential for October through February, (3) establishment of an individual-handler pool in place of the present market-wide pool. For Louisville, exceptions were due January 20 to recommended decision proposing that no action be taken on proposal to extend December floor price for a limited period this year. Solicitor's Office has recommended decision on Ft. Wayne and final decision on New York amendments. Justice Department has requested handlers in St. Louis, a Federal order market, to appear before a grand jury regarding the high retail price for milk.

LIVESTOCK BRANCH

Look for a roundup story soon covering facts and figures concerning the meat canning project in the Northern States of Mexico. Indications are that total purchases of the canned meat by the Department may amount to more than 72 million pounds under this project.



MARKETING FACILITIES BRANCH

The boxcar supply is reported getting tighter, but so far railroads are managing to meet demands without formal orders for return of cars.

Car supply on Northwest roads is more than adequate. Anticipating heavy marketings of grain following January 1, railroads accumulated substantial backlog of cars in the Northwest for grain loading. The expected movement did not develop and several thousand cars are idle in the Dakotas and Montana awaiting grain loading. Farmers are being urged to move as much grain as possible into terminals to avoid inevitable car shortages later.

Branch is arranging to meet with the American Trucking Association on January 26 to protest a proposal of the Association to increase transportation rates on seed corn by motor truck.

On February 3, Branch will confer with the railroad's Western Traffic Committee and representatives of four other government departments in an effort to get the privilege to use government bills of lading for all rail transit purposes. If action is favorable many thousands of dollars may be recovered for various government agencies.

SHIPPING AND STORAGE BRANCH

Through January 21, 377 cars of potatoes had been shipped to Searsport, Maine, for overseas shipment by the U. S. Army. Four ships are expected to lift approximately 30,000 long tons. Shipping representatives are coordinating the billing of cars with Army representatives. The first vessel should complete loading on January 24 and the second vessel is scheduled to berth the same day. Ships for the seed potatoes movement are scheduled for January 1 and February 2. Car availability for both movements is adequate.

Disposition has been achieved for all cured sweet potatoes stored in Maryland and Virginia with the exception of about 30 cars.

During the week, a tightening box car situation was noted in the Southwest. Shipments of CCC wheat to Gulf ports have been adequate to meet ship schedules, but port stocks have shown a decrease. AAR and ODT are of the opinion that the present car shortage is of a temporary nature brought about by larger country marketings of grain in the Southwest since the first of the year. Shipments of wheat to port positions in the East and West Coasts are running about at the same rate as for the past month.

FOOD DISTRIBUTION PROGRAMS BRANCH

Six thousand tons of dried figs were purchased week of January 12-17 from dried fruit surplus removal stocks. Section 6 funds were used. Figs were California product.

POULTRY BRANCH

Poultry industry leaders, and members of the Poultry Branch staff met last week to discuss plans designed to stimulate conservation of feed by poultry-men during the next few months before harvest.

The industry group selected and submitted to the Department the following slogan to be used in connection with the campaign; Conserve Feed Now -- Sell Old Hens -- Buy Early Chicks. Aim of plan is to encourage placement of baby chicks, particularly during February, March and April, to save grain by feeding the young chicks rather than old hens which are not producing enough eggs to pay for the feed they consume.

The program, which has been submitted to the Department for approval, is based on the poultry husbandry practice of replacing each old hen culled with three baby chicks, particularly during the months of February, March and April. Aside from the feed conservation angle, this has the further purpose of encouraging farmers to rebuild their laying flocks for egg production in the fall. No action by the Department is expected until after further industry meetings with the Department scheduled for January 27-28.

A roundup statement of what lies ahead in 1948 as it concerns price support for eggs is being prepared for use in the American Egg and Poultry Review -- probably the February issue.

The Branch is developing material for use in connection with a review of duck industry requirements for possible application under a support program.

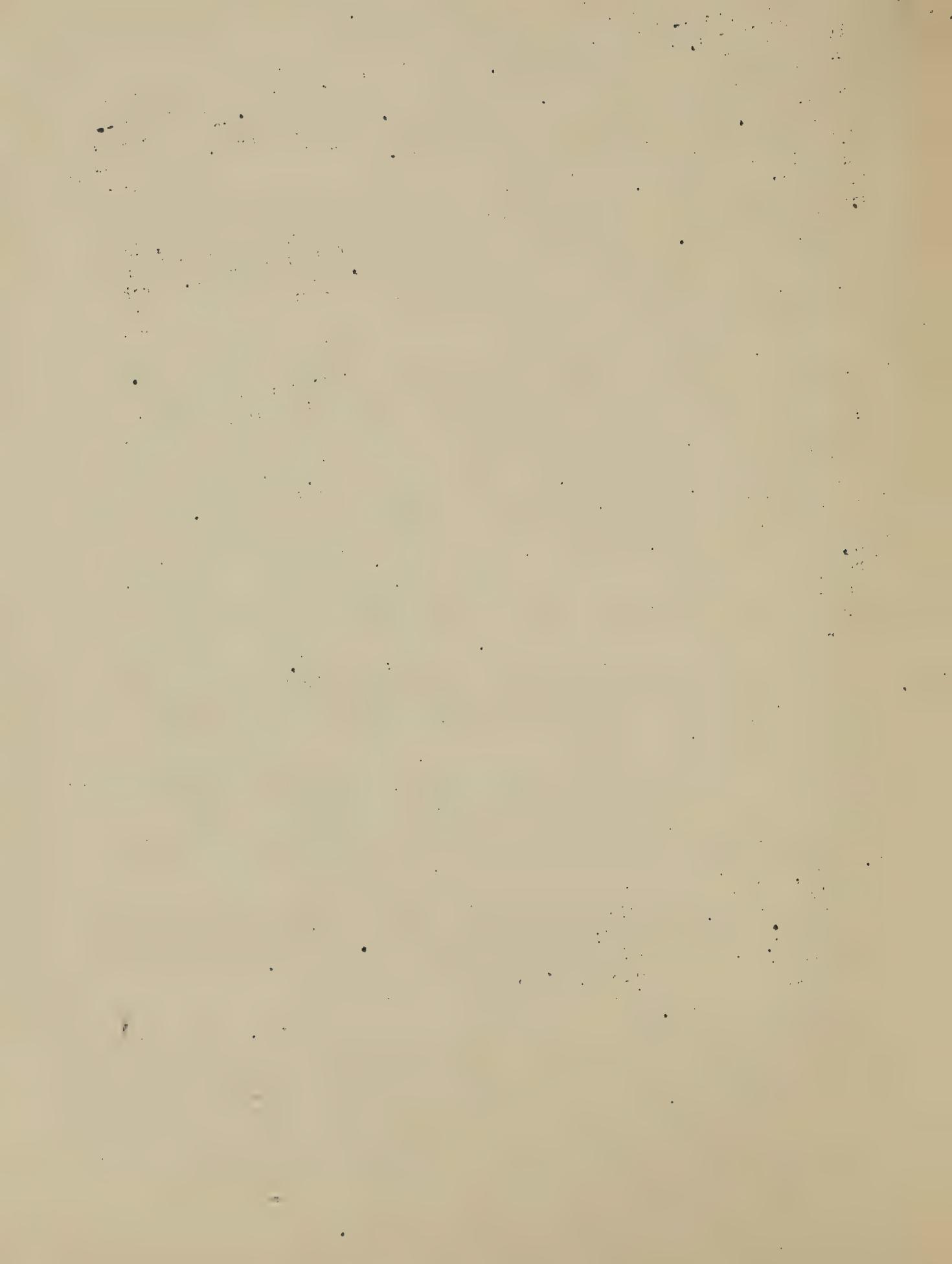
Wanted: Invisible Impact Recorders. The inherent tendency of train crews to see how much fast and fancy switching a carload of eggs will stand before the eggs fold up and decide they'd rather be scrambled, has placed the Branch in the market for its own impact recorders --- to be placed in egg cars when the train crew isn't looking.

Previously, in making tests of damage to eggs in transit by rail, the Branch has used recorders borrowed from the railroads. Result: The train crews treated such cars with unimpeachable tenderness and the telltale red line on the recorder at the end of the journey suggested the swaying of a hammock in a summer breeze rather than a Grade A earthquake.

Because egg cars not equipped with impact recorders still seem to get the old one-two, officials feel that Branch-owned machines will provide a more accurate record of what actually happens to a carload of eggs in the hands of an enthusiastic and uninhibited train crew.

SUGAR BRANCH

The price of sugar may be a little lower this spring. One large refiner recently reduced its wholesale selling price of refined from \$8.40 to \$8.00 per 100 pounds. Also, a new market price was established for raw sugar under the CCC contract with refiners. On the 12th the CCC selling price went to \$5.70, on the 14th to \$5.65, on the 15th to \$5.60, and on the 21st to \$5.65. The previous price was \$6.32. Those price changes are in accord with agreements with refiners that in its remaining sales of 1947 crop sugar the CCC will recognize current market prices.



FRUIT AND VEGETABLE BRANCH

New United States standards for frozen grapefruit have been published and will become effective February 20, 1948.

This is the pitch on lettuce in the Imperial Valley and Yuma areas; prices started falling off on lettuce and cars were rolling unsold. So shippers agreed to discontinue all cutting, packing, and loading on Saturdays and Sundays until March 15, 1948. Packing will be limited to five days a week, eight hours a day, between the hours of 8 a.m. to 5 p.m. No sheds will be allowed to increase their number of packers above those working on January 14, 1948. All cars must be billed as of Friday night and none may be held for Saturday billings.

Slight damage to some Florida citrus, due to cold weather, has been reported. The Florida Citrus Commission has issued a shipping embargo on all Florida citrus from midnight, January 22, to midnight, January 29. Fruit can move to canneries for processing but not to fresh fruit packing houses.

Florida processors during the week ending January 10 canned 1,231,000 boxes of oranges, compared with 900,000 boxes the previous week, and about 500,000 boxes during the same period last year. During the week ending January 10, Florida processors also canned 689,000 boxes of grapefruit and 82,000 boxes of tangerines.

During last week the Department has purchased 162,021 gallons of concentrated orange juice at prices ranging from \$2.48 to \$2.52 and averaging \$2.50 a gallon.

Potato purchases through January 20 totaled 12,784,646 hundredweight. Of this amount 1,477,578 hundredweight went to direct distribution; 1,047,066 to livestock feed; 3,148,894 to alcohol; 486,842 to dehydration; 2,303,947 to export; 210,681 to flour; 1,110,940 to starch; 84,530 to experimental use; 2,630,609 to commercial storage; 281,075 were lost; and disposition of 2,484 is as yet unreported.

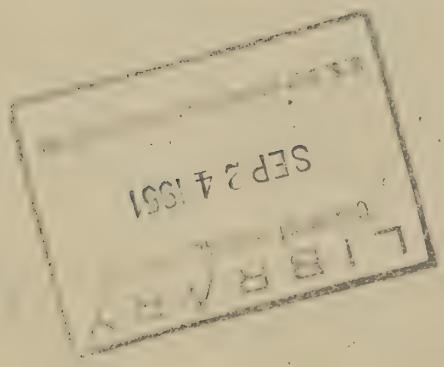
TOBACCO BRANCH

Very little Burley tobacco has been going under loan this season. The crop is of unusually good quality. As one Branch man puts it, "the crop appears to be excellent cigarette-quality tobacco." Recent prices have been averaging 49 cents a pound, against about 40 cents last year.

COTTON BRANCH

Recently it has been reported that England and Germany have entered the market for small quantities of cotton, and that France has entered for 30,000 to 100,000 bales. CCC has announced that cotton bought from interim aid funds will not be eligible for the export subsidy of 1/2 cent per pound.

About \$30,000,000 of recently announced Export-Import Bank credit of \$300,000,000 to Canada has been earmarked for the purchase of cotton. The credit is available until December 1948, repayment to be made in three equal installments at the end of three, four, and five years. Army has announced offers to buy 50,000 bales of cotton, more or less, for shipment to Japan. Classification of the cotton by USDA is required.



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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

FOR ADMINISTRATIVE USE ONLY

February 18, 1948

MIDWEST INFORMATION SUMMARY

To: FMA Offices, Midwest Area

From: Walter W. John, Chief, Information Branch, Production and
Marketing Administration, Midwest Area, Chicago, Illinois

Walter W. John

PARITY AND PRICE SUPPORT

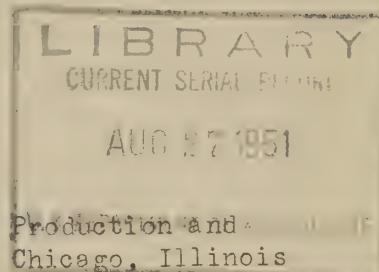
(You have been hearing and reading a lot about Price Supports since commodity markets suffered sensational declines in February. You will, no doubt, hear a lot more -- some critical, and often based on misinformation. U.S.D.A. carries out its price support programs under Congressional mandate and, since the programs are based on parity of farm products, - here's a brief explanation of the parity principle, and its application in establishing price support levels.)

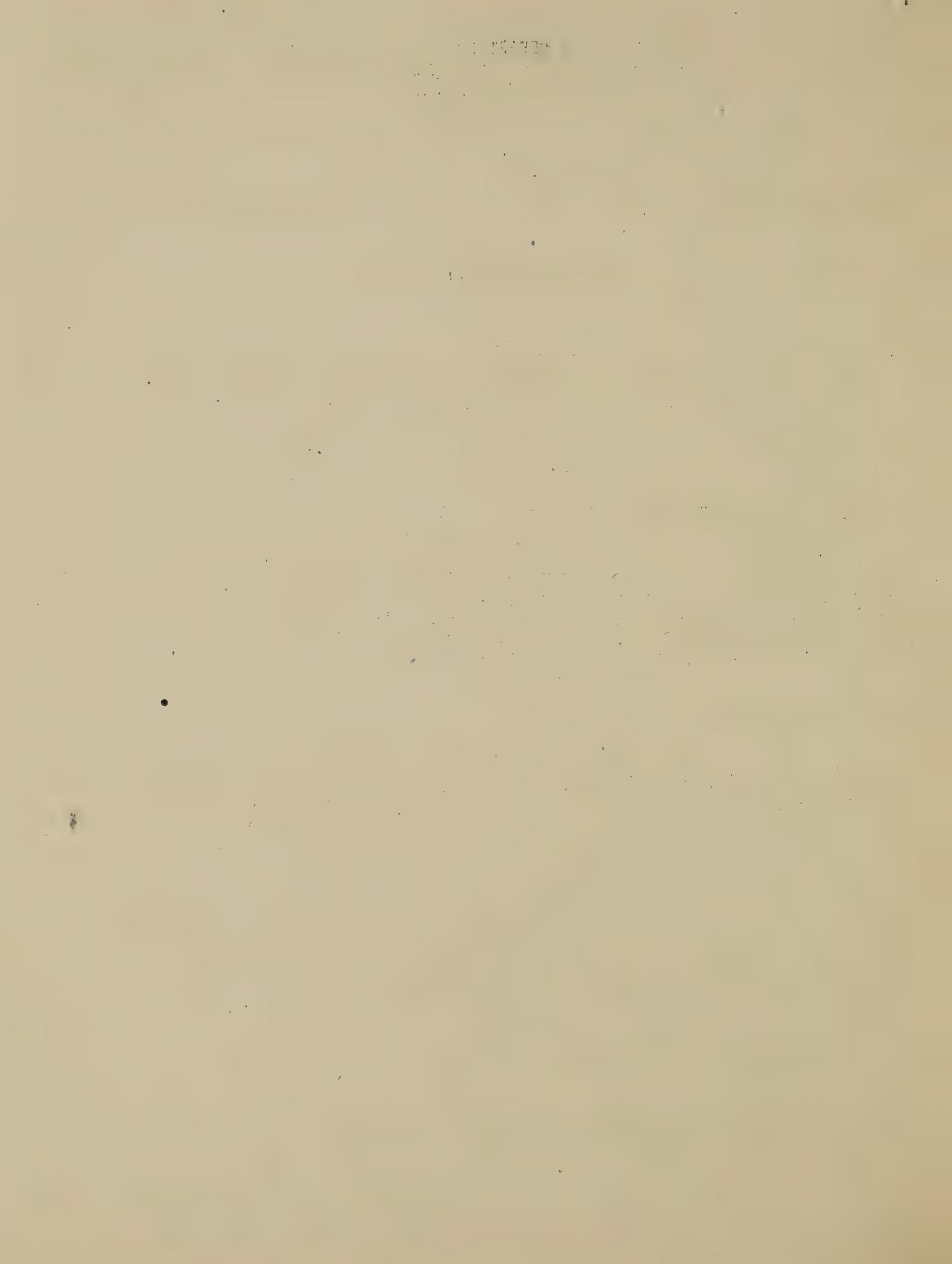
History of Parity

Back in the depression of the early thirties, farm prices were so low that farmers had a hard time earning a decent living and staying out of debt. A plan was needed to tell them just what prices would be fair to both farmers and city folks. It was then that the parity formula was first put to work. The parity principle had been debated for more than ten years. Congress made it a part of the Agricultural Adjustment Act of 1933.

Farm economists looked back over past years and picked a time when farm prices seemed to be pretty much in line with other prices -- a time when both farmers and city folks seemed fairly well satisfied with the way prices stood -- a time when most farmers' earnings were big enough to meet their expenses. This was the period from 1909 to 1914. Then the economists looked into farmers' money dealings and determined two things:

1. How much farmers took in. An average was made of the prices farmers received for their products.
2. How much farmers paid out. Costs of things farmers had to buy were averaged. The list covered 86 items used in family living and 88 items used in farm production.





This told them how farm prices compared with other prices during these good years. It gave them a relationship between the farm and non-farm prices. From this, the economists figured how high prices of farm products should be compared with other prices each month or each year. Parity prices are intended to give farmers the same buying power today as they had back in the "fair and square" years from 1909 to 1914.

The Parity Formula

Here are a couple of brief explanations of the parity formula:

1. The parity formula determines a price for the farmer's product which will give it an exchange value, for things the farmer needs to buy, equivalent to that in a specified base period. The base period mostly used has been 1909-14.
2. The parity formula is a yardstick for measuring the prices farmers should receive to give a bushel of wheat, a bale of cotton, etc., the same purchasing power they had in the base period years -- 1909-14.

You can calculate the national parity price by multiplying just two figures: The price of the commodity in the base period by the applicable parity index. The parity index is a measurement of farm costs. It is simply a percentage showing how much the prices of things farmers buy have gone up (or down) since the base period. If the things farmers buy (tractors, stoves, shirts, sugar, etc.) have doubled in price, the parity index would be 200%.

$$\text{Parity price} = \frac{\text{price of commodity}}{\text{in the base period}} \times \text{monthly parity index}$$

Example: On June 15, 1947, the monthly parity index was 230% of the 1909-14 base period. The base period 1909-14 average price for wheat was 88.4 cents per bushel. Multiply 230% \times 88.4 and you get 2.033, or a national average wheat parity for last June 15 of \$2.03 a bushel.

Are Support Prices the same as Parity Prices?

No. They are expressed as a percentage of parity. At present, support prices equal to 90% of parity are guaranteed by law for all "basic" and "Steagall" commodities except cotton, which has a price floor of 92-1/2%. Example: The support price on the 1947 wheat crop at 90% of the parity price (\$2.03) is \$1.83 (national average). The support price of wheat for the entire marketing season is based on the June 15 parity price.

Parity Prices Apply to Nearly 160 Farm Products.

Most of them use the 1909-14 base period. Others have different base periods. A few commodities such as soybeans have a "comparable" price since they have no suitable base period.

The basic commodities are corn, cotton, wheat, rice, tobacco, and peanuts for nuts. The Steagall commodities are hogs, eggs, chickens over 3-1/2 pounds,

turkeys, milk and butterfat, dry beans and peas of certain varieties, soybeans, and flaxseed, peanuts for oil, American Egyptian cotton, potatoes, and sweet potatoes. In addition, there are about 140 "other" commodities such as wool, sugar beets, sugar cane, and many others.

How Are Prices Actually Supported?

Largely through Government purchases and Government loans. If wheat drops below the support level, the Government may buy wheat in the market at the support price to help maintain prices at or above that level. At the same time it may buy flour from millers who certify they have bought their wheat at, or above, the support level. The Government also offers loans or purchase agreements to farmers on their crop during specified periods -- loaning them up to the amount of the support price for each bushel of grain.

When Are the Support Prices Determined?

Usually at the beginning of the marketing year on the basis of parity on the fifteenth of the month preceding. Dates for some of the commodities are: corn, October 1; wheat, July 1; soybeans, October 1; hogs (which have two marketing seasons each year) April 1 and October 1; potatoes (late) July 1, (intermediate) January 1. For products such as eggs, produced on a year around basis, the support level, if a program is necessary in 1948, will reflect a national annual weighted average farm price of 90% of parity.

What Lies Ahead?

Wartime price supports at about 90% of parity end December 31, 1948. Supports will then remain on the basic commodities only, and the support level on these products will revert back to permanent levels of from 52 to 75 per cent of parity, unless Congress extends the present price support program or enacts a new one.

FATS AND OILS BRANCH

Branch bought the first lot of tung oil under price support this week, 1 carload of 60,000 pounds at the support price of 25 cents a pound. Bids for squid were rejected as not meeting FMA requirements. Liquidation of copra agreement with the Netherlands Indies was signed.

GRAIN BRANCH

Cash grain prices closed last week considerably above loan levels, which were \$2.03 for No. 1 hard winter wheat at Kansas City, \$2.08 for the same at Chicago, and \$2.05 for No. 1 heavy dark northern spring at Minneapolis. Loans and purchase agreements on 1947-crop wheat were available to growers through December 31, 1947, the loans to mature on April 30, 1948 or earlier on demand, the purchase agreements to run 30 days beyond maturity date of the loans. About 21 million bushels were still under loan as of December 31; estimates on purchase agreements range as high as 50 million bushels. Farmers probably own about half the remaining supply of wheat, totaling around 650 million bushels. Actual prices received by farmers through January 15 ranged from 99 per cent of 1947-crop parity (that is, the July 1 parity price) last August to 138 per cent on December 15.

DAIRY BRANCH

Branch on February 12 bought 22,500 more cases of evaporated milk for relief feeding in Greece. The 100,000-case goal will be reached with the purchase of 7,500 more cases. This week's offerings were 27,500 cases. Purchases were at \$5.94 per case -- same price as last two weeks. Still no purchases of nonfat dry milk.

Midwest Federal milk order market actions in the mill:

St. Louis, Mo.: In the February 6 issue, it was noted that papers reported a milk strike in this market, prompted by an increase in resale price to 22 $\frac{1}{2}$ cents per quart. The word now is that the 3-day buyers' strike against high milk price resulted for a large St. Louis dairy in a 400 per cent increase in return of the product by consumers. While the strike was initially called for only 3 days, the St. Louis Consumers Federation is urging that consumers continue to refuse to buy milk at 22 $\frac{1}{2}$ cents. This Federation has requested a USDA representative to advise the group on the milk shortage, now being investigated by a committee appointed by the St. Louis mayor.

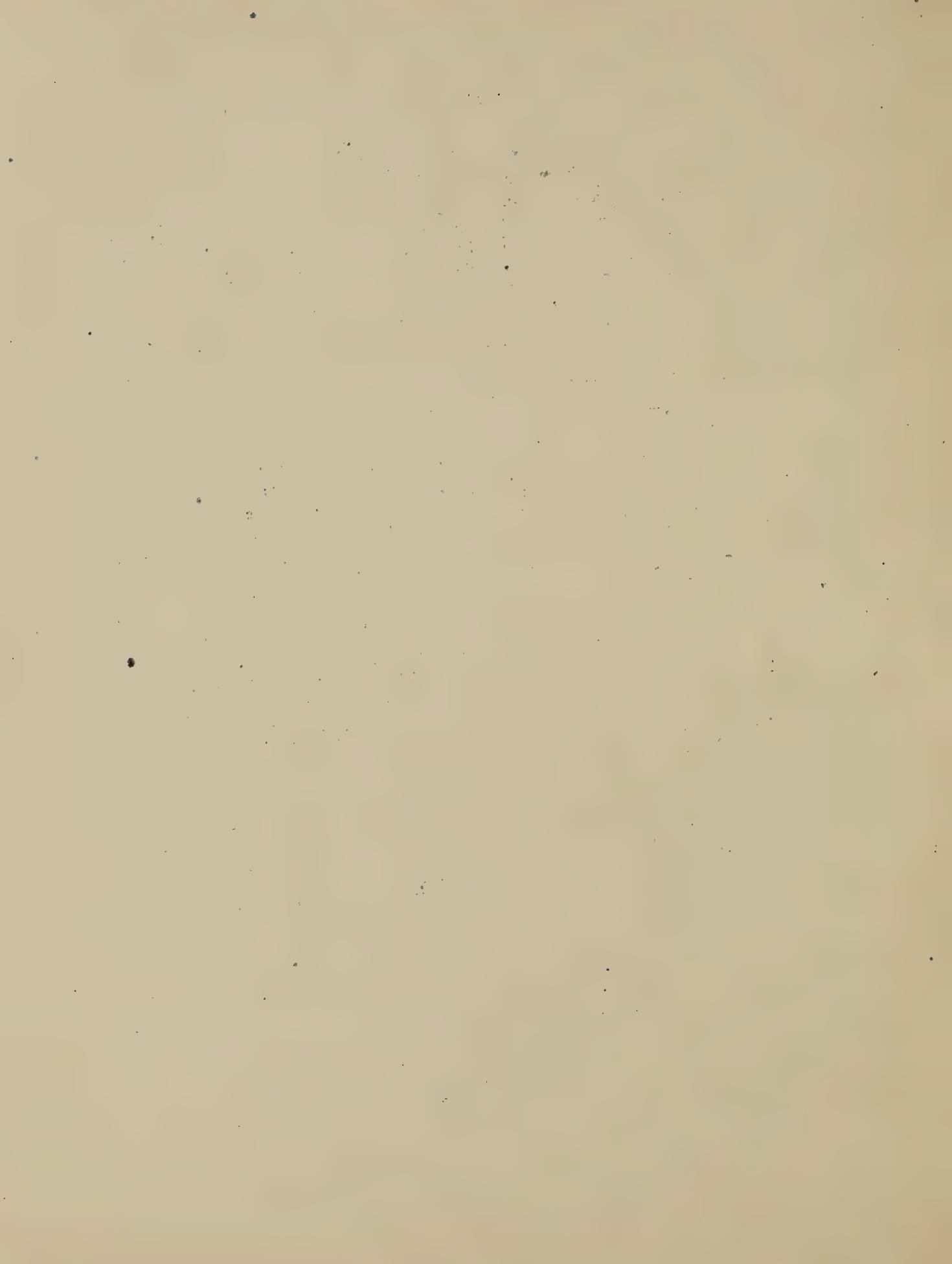
Cleveland: Producers are expected to petition for hearing covering, among other things, Class I prices.

Columbus: Petition has been received from producers for hearing to consider class prices.

All Ohio markets: Recommended decisions on these six still being considered.

Fort Wayne, Ind.: Recommended decision stage.

Quad Cities: Recommended decision on issues remaining from the November hearing soon to leave Branch.



FOOD DISTRIBUTION PROGRAMS BRANCH

Last week 10,511,775 pounds of peanut butter were purchased with Section 6 funds for distribution to schools operating lunch programs. Other items purchased with Section 32 funds for distribution to institutions and schools include 341 carloads of canned grapefruit juice and 118 carloads of fresh pears.

People from three branches --- Food Distribution Programs, Fruit and Vegetable and Information -- met last week with representatives of the fig industry. The industry people asked the Department's cooperation in obtaining increased fig consumption this year, as the supply is much heavier than usual. 1947 production is estimated by the industry at 28,700 tons -- plus 4,300 tons held by processors and 7,500 tons in trade channels totalling about 40,000 tons of merchantable figs. This is about half more than a normal season's supply. At the same time, fig prices to growers are about a third of those a year ago. The fig industry indicates it is already doing, and will continue to do, all it can to solve its own problem. The FDPB will tie in with the usual channels for abundant food programs. Emphasis will be placed in the area east of the Missouri river and north of Washington, D. C.

POULTRY BRANCH

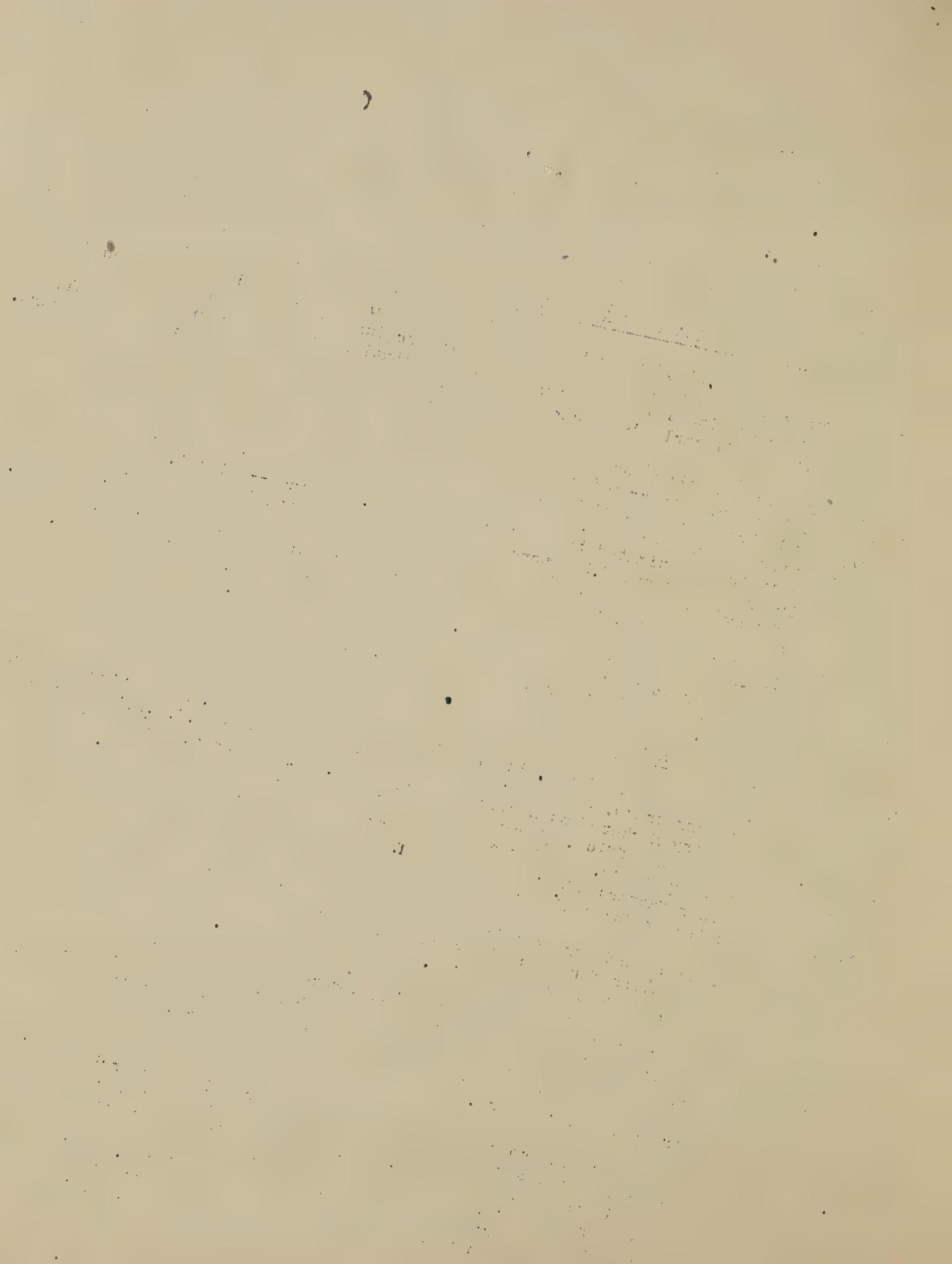
A market news office, issuing daily reports of the St. Louis Missouri poultry and egg trade, was officially opened in that city by U.S.D.A.'s Dairy and Poultry Market News Service, February 16. J. V. Moran, Marketing Specialist, heads the office. First coverage will include only the wholesale egg and live poultry trade, and a general summary of the supply and demand situation and other factors affecting the St. Louis market. Additional services covering dairy products will be added later.

Poultry and egg container specifications are being revised to include recommendations for specifications and packing procedures for dried and frozen eggs, as well as shell eggs.

Branch representatives attending a recent meeting of the Dairy and Poultry Branch coordinating committee discussed poultry class terminology. The discussion favored classifying birds by weights and maturity rather than continuing the terms in use which are based on cooking methods such as broilers, fryers, and roasters.

Considerable progress is being made on marketing research projects. Branch representatives recently visited 13 State agricultural colleges and universities in the Midwest to start work on obtaining basic information from first receivers of eggs. Activities on a hatching egg and baby chick study being carried on in northeastern States have been reviewed. A cooperative agreement has been completed between the Utah State Experiment Station and the Branch. As a result, the Station will contribute to the Western regional turkey marketing project.

A project outline for studying egg losses between carlot shippers and retail outlets is being discussed. This provides for obtaining data in the plants of selected dealers in the Midwest and in terminal markets. Dealers will be interviewed soon as to their willingness to cooperate.



MARKETING FACILITIES BRANCH

Poultry and egg marketing facilities in New York, Denver, San Francisco, and Los Angeles will be studied soon to complete information for a forthcoming study called "Wholesale Poultry and Egg Market Facilities in Thirty Cities." The study will point up problems and defects in these markets and provide a basis for bringing about needed improvements.

Wholesale markets in Baltimore, Washington, D. C., Memphis, Denver and Kansas City will be studied in coming weeks in connection with the Branch's work on wholesale equipment and its time and cost study of market operations.

No shortage of boxcars for loading grain has been reported this week because of a relatively favorable car supply on western railroads and light loadings. Loadings of fruits and vegetables were also light; however, they are increasing and the refrigerator car shortage is beginning to be felt. Carriers have been urged to return empty cars. The refrigerator car supply is expected to be very tight soon in all major loading areas of the Midwest and the far West.

Branch began work on recently approved Research and Marketing Act project regarding investigation of delays in transportation of railroad carload freight, starting with performance of carriers in handling PMA shipments. The survey will be extended later to include examination of records of shippers of agricultural products.

MARKETING RESEARCH BRANCH

Recent additions to the Branch's staff include personnel who will work on market news projects, across commodity projects relative to grades and standards for agricultural products, and problems relating to packing and loading.

Branch representative in charge of relations with State departments of agriculture returned this week from a trip to the West coast in connection with research and marketing projects. He reports sufficient additional states have now indicated their intention to submit projects to account for approximately all of the present allocation available for matching funds of the State departments.

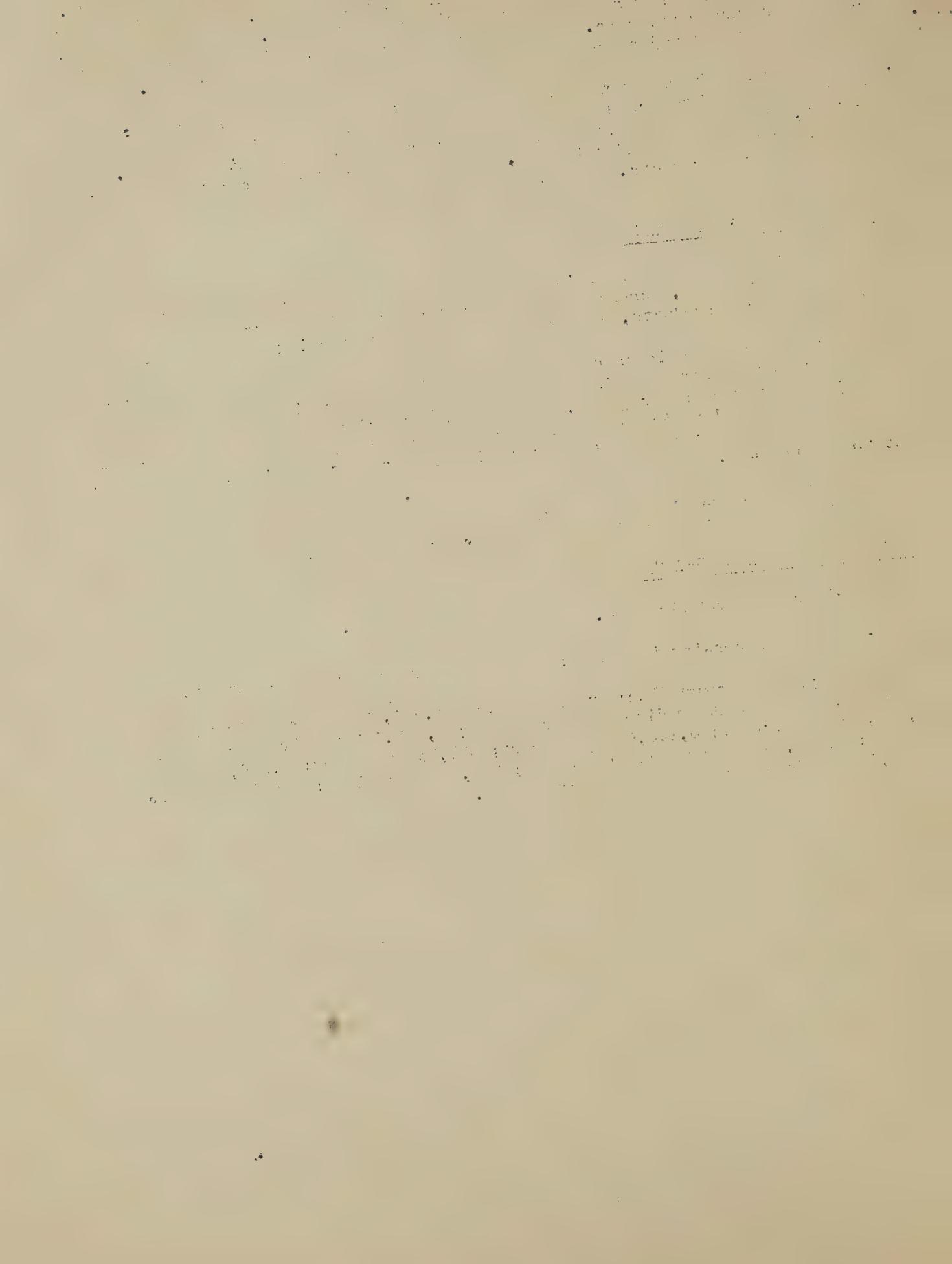
Prepackaging studies are being carried on in cooperation with the University of Florida and the Florida Vegetable Prepackaging Council.

FRUIT AND VEGETABLE BRANCH

March 2-8 is National Fig Week.

Heavy use for processing is bolstering Florida orange prices generally.

Potato purchases through February 10 totaled 13,984,637 hundredweight. Of this amount 1,495,925 went to direct distribution; 1,192,402 to livestock feed; 3,274,366 to alcohol; 3,133,697 to export; 321,736 to flour; 1,286,643 to starch; 2,560,750 to commercial storage; 281,075 were lost; and disposition of 2,484 hundredweight is as yet unreported.



SHIPPING AND STORAGE BRANCH

Late movements through the port of New York continue to be heavy and are being lifted by the Army for delivery to Austria and the Bizonal area of Germany. Rice is moving at an accelerated rate through Gulf and West coast ports for China under the U. S. Foreign Relief Program.

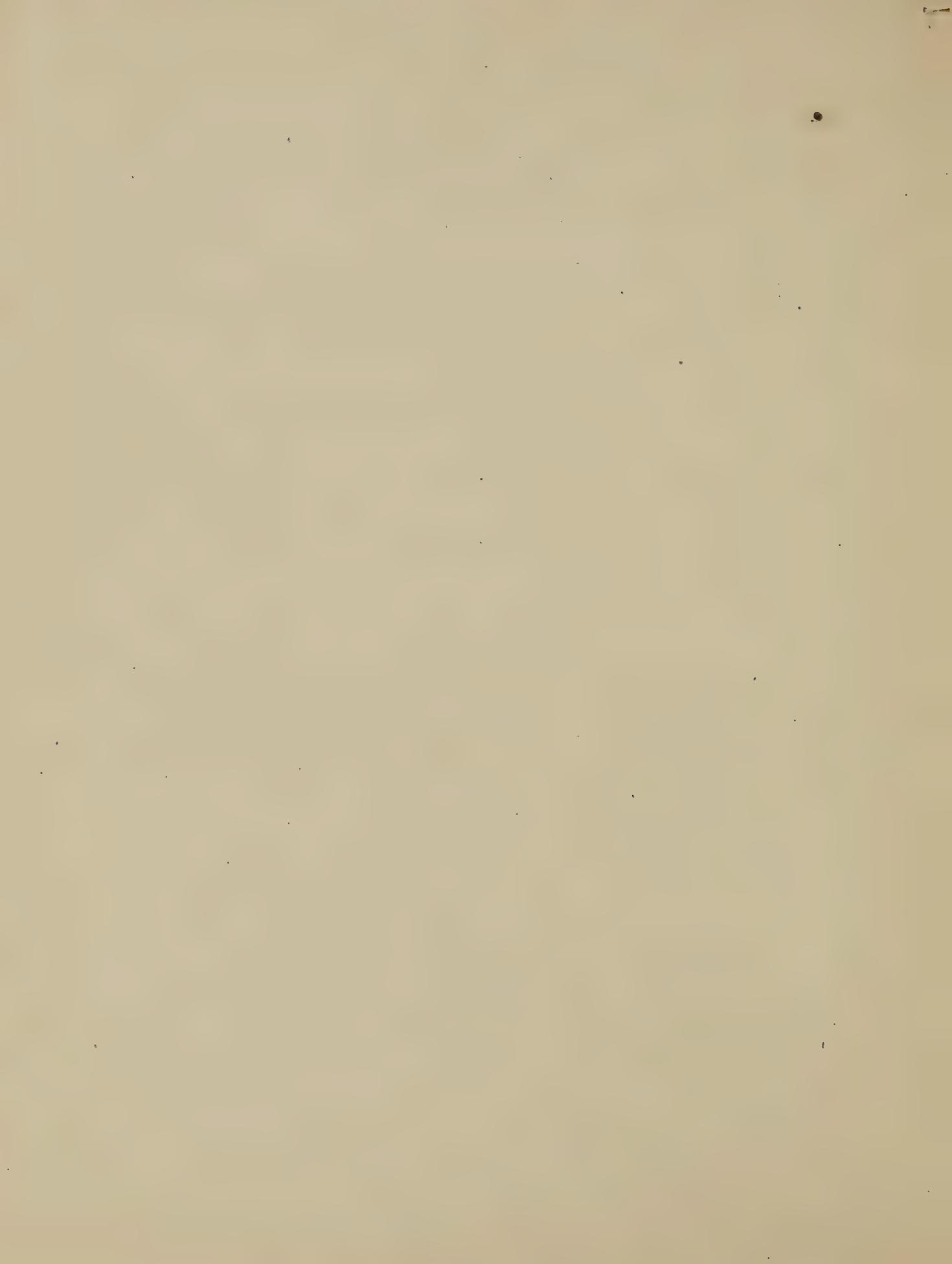
Five vessels are now loading potatoes at Searsport, Me., New York City, Philadelphia, and Baltimore. These were initially destined for Italy, but are being diverted to the Bizonal area of Germany. Cold weather and sleet are hampering stevedore operations in most ports. Shipments of off-condition potatoes to Publicker Industries, Inc., Philadelphia and the United Distillers of America, Inc., Yonkers, New York, are moving regularly.

Because of continued adverse weather conditions on the high seas and in the Gulf area, only 9 of 46-1/2 grain cargoes scheduled for Gulf export in February cleared in the first 10 days with 5 additional vessels on berth. This means that approximately 32 vessels, may be available for taking on cargo in the Gulf during the balance of the month which, conceivably, could result in congestion at all ports. Considering grain now in transit, CCC wheat cargo is adequate for 30 ships. All claimants having ships scheduled to berth during the last half of February have been requested to use all possible measures to expedite and facilitate loading.

COTTON BRANCH

Free classification and market news services provided by the Smith-Doxey Act are hitting new highs this season. Samples representing more than 4.5 million bales were classed through January 30 for more than 350,000 growers who applied for the services through their improvement associations in the spring of 1947. Comparable figures for 1946-47 are 2.1 million samples and 344,000 group members. Previous high mark was 4 million samples classed for 319,000 group members in 1944-45.

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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

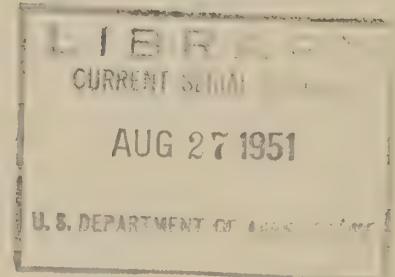
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FEBRUARY 26, 1948

MIDWEST INFORMATION SUMMARY

TO: PMA Offices, Midwest Area

FROM: Walter W. John, Chief, Information Branch
Production and Marketing Administration
Midwest Area, Chicago, Illinois



NEW APPOINTMENTS

Theodore H. (Ted) Anderson, formerly chief of the Personnel Division in the Midwest Area, has been appointed Area Budget and Management Officer, effective last Monday. He takes the position left vacant last September when G. E. (Gerry) Tichenor transferred to Washington as Assistant Director of the Budget and Management Branch. Ted has been Personnel Chief in the Midwest Area since August 1945. Prior to that, he was in the Personnel Division of PMA in San Francisco, and Washington, D. C. He came to PMA from Wisconsin.

Maurice Ward has been named acting chief of the Personnel Division. Maurice comes to this new job from the PMA Personnel Office in Washington. He is a native of Iowa and formerly was with Federal Crop Insurance Corporation in Kansas City, Chicago, and Washington.

PERSONNEL DIVISION

(This week we want to tell you a little about the activities of your Personnel Division and how it serves yours and 250 other offices in the Midwest Area.)

The Personnel Division is now serving PMA offices throughout the Midwest Area, having taken over personnel activities for the state offices February 1. It has responsibility for employment, classification, personnel records and other functions closely related to the employment and welfare of PMA people in this Area.

Recently the Division has undertaken a management survey which promises to be of inestimable value to PMA. It already has gained the attention of the Civil Service Commission, the Hoover Commission, and other units of government interested in improving management services. This management survey is an analysis of work load, organization, classification, and budgetary matters in each of the PMA units. During the last few weeks officers of the Personnel Division have been conducting this survey in state offices in Illinois, Indiana, Iowa and Ohio. Eventually, if time and funds are sufficient, the Division hopes to conduct a similar survey of nearly every office in the Area.

One of the many lesser activities, yet important from the standpoint of employee welfare, conducted by the Personnel Division was to have the Chicago Tuberculosis Association X-Ray all 800 employees in this building.

DEPARTMENT OF THE
ARMED FORCES
MARKETING
DEPARTMENT
U.S. ARMY
HEADQUARTERS

HEADQUARTERS
U.S. ARMY

POULTRY BRANCH

Initial sales of frozen whole eggs under the export program announced February 3 were made by the Branch last week. Exporters bought a total of 170,370 pounds, comprising 73,350 pounds which had been in storage at Melrose Junction, New York, and about 97,000 pounds in storage at Omaha, Nebraska. The sales were made at 17½ to 20 cents a pound -- slightly more than half of cost to Government. Sales this week totalled 252,000 pounds -- 108,000 stored at Clovis, New Mexico, and 144,000 stored at Melrose Junction. The balance of frozen eggs on hand is around 58,000,000 pounds.

Representatives of the Poultry Branch who conferred in Chicago recently with the poultry committee of the Institute of American Poultry Industries and members of the Poultry and Egg National Board on a proposed revision of live poultry grades, report considerable difference of opinion between Midwest representatives and those of the East and West concerning the type of grading program needed. Midwest representatives favor a two-grade plan, while East and West Coast representatives would prefer a three-grade plan, similar to the one in effect before the war. The whole question, Branch officials point out, ties in closely with the quality improvement program for poultry. The feeling is that producers, under a two-grade system, would get less premium for top grade birds and less penalty for low grades than they would under a three-grade plan. Proponents of the two-grade plan maintain that it would be a simpler system of grading for live poultry and one with which producers and poultry buyers would be familiar, since it was in use by the Office of Price Administration until price control was abolished.

FRUIT AND VEGETABLE BRANCH

Potato purchases from March 1947 through February 17, 1948, totaled 14,497,629 hundredweight - 24,162,715 bushels. Of this amount, 1,519,695 hundredweight went to direct distribution; 1,228,777 to livestock feed; 3,377,566 to alcohol; 436,559 to dehydration; 3,479,422 to export; 380,336 to flour; 1,312,643 to starch; 2,379,072 to commercial storage; 281,075 were lost, and 2,484 unreported.

Indications are that the Louisiana strawberry season will not open before the last week in March or the first week in April.

Florida orange prices continued their advance last week; grapefruit prices are still in the doldrums.

New U. S. standards for grades of olive oil have been approved and will soon be published in the Federal Register, to become effective 30 days thereafter.

The Department has contracted with processors in Virginia, Georgia, Alabama, Missouri, Nebraska, Indiana, Michigan, California, Kentucky, New Jersey, and Pennsylvania for 7 million pounds of peanut butter for school lunch use.

Processors have been invited to submit offers of quantities of concentrated grapefruit juice, to be received on February 25, March 15, and March 29.

CCC has arranged to transfer an additional 58,893 long tons of raisins and an additional 26,929 long tons of dried prunes to the Army. This brings total tonnage agreed upon for such transfer to 83,893 long tons of raisins, all destined for the German Bi-zone, and 68,929 long tons of dried prunes, of which 17,000 long tons are destined for Japan and the rest to the Bi-zone.

and the other two were taken from the same
area. The first was taken from a small
area of open ground near the water's edge.
The second was taken from a larger area
of open ground near the water's edge.

The first sample contained a large amount of
water, which was filtered through a cloth.
The second sample contained a smaller amount
of water, which was filtered through a cloth.
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and then cooled to room temperature.

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DAIRY BRANCH

February 14 a Branch announcement went out for 250,000 additional cases of evaporated milk. The already-operating purchase program for evap called for 100,000 cases, all for relief feeding in Greece. The additional 250,000 cases are for relief feeding in Europe, but specific recipient countries are still under consideration. Last week's purchases amounted to 17,500 cases (total offered was 51,750 cases,) at \$5.94 per case. The price has been the same for the last three weeks. Total purchases up to February 20 are 110,000 cases, with 240,000 cases now to be bought. Purchases Feb. 25 were 93,750 cases at \$5.63 to \$5.95. Total purchases now 203,750 cases. Balance to acquire 146,250.

Federal milk marketing areas:

Cleveland: Hearing soon to be in mill to consider revision in Class I price differentials, pool plant definitions, and Class III pricing of skim milk.

Dayton-Springfield: A committee composed of producers and handlers worked recently on a basic formula for Dayton market.

Ft. Wayne, Ind.: Exceptions to the recommended decision will soon be in.

Louisville: A petition has been received for a hearing to discuss several proposals, including increase in Class I and Class II price differentials and provision for a seasonal change, in addition to the seasonal provided by the fall premium plan, and increases in class/prices.

Columbus: Hearing set for February 25 to consider increase in class price differentials.

Quad Cities: Recommended decision in mill.

Toledo: Basic formula changes being discussed by Branch and industry for this market, too. In addition, a hearing may be requested on Class I prices and payment provisions of the order.

Tri-State-Cincinnati: Requests for hearing in both these markets have been received from producers. Proposals will be submitted within a few days.

GRAIN BRANCH

Officials who have been taking part in the International Wheat Agreement sessions are optimistic that an agreement will be reached. They believe that such an agreement would be ratified by all of the participating import countries, as well as by the three export countries (Canada, Australia, and the United States). Ratification would mean for the United States an export volume of 185 million bushels of wheat a year for the next four or five years to the participating import countries. This would be in addition to upwards of 150 million a year for the Occupied Zones, plus 25 million or so for non-signatory countries.

FATS AND OILS BRANCH

About 102 million pounds of 1947-crop shelled peanuts have been or will be delivered to the Army for use in the German Bi-zone, 15 million to the State Department for use in Austria, and 20 million in France. Practically all of the peanuts exported will be crushed for oil, and it is reported the meal will be used mixed with flour or in soups for human consumption. The total export volume of 137 million pounds is substantially more than had been expected earlier in the season. The increase is made possible by a decline in U. S. domestic consumption of edible peanuts. Correspondingly, a larger quantity also is available for crushing for oil for use in the United States.

COTTON BRANCH

Effects of the price break on quality of cotton going under loan probably won't appear in loan cotton statistics before the end of February. During the week February 6-13, the quantity put under loan (about 6,000 bales) was about double that in each of the preceding two weeks, but this may have been because of changes in market price differentials compared to differentials under the loan. At the moment, it may be that in a large area of West Texas, cotton may be worth more under loan than in the local markets, because some difficulty is being encountered in disposing of short staple cotton.

Production of rayon in the United States last year was a high record 975 million pounds -- 14 per cent more than in 1946, and 150 per cent more than in 1939. The total includes rayon filament yarn and rayon staple, and is the equivalent of about 2.3 million bales of cotton. World production of rayon last year was 2 billion pounds, 20 per cent more than in 1946.

U. S. exports of cotton for the August 1947-December 1948 period totaled 657,800 bales, compared with 1,576,100 bales in like period a year earlier.

LIVESTOCK BRANCH

Because of the continued upward trend in the weight at which hogs are being marketed, with consequent effect upon grain conservation, Branch staff members helped prepare a wire for Secretary Anderson which was sent to Land Grant college heads throughout the Nation. The wire asked the aid of the Land Grant Colleges in bringing to the attention of farmers that the need for grain conservation is still great; that feed supplies must be stretched until new grain crops are harvested; that producers especially need feed supplies to maintain foundation breeding stock for the time when livestock production can be expanded. The wire pointed out that as a result of these requirements, it is necessary to continue to market hogs at lighter weights.

SUGAR BRANCH

For the purpose of assisting producers in negotiations with processors, a cost survey is now being made of farm and mill operations in sugar beets. The survey is expected to run through May or June.

During the first six weeks of 1948, the distribution of sugar by primary distributors was about 18 per cent smaller than in the like period of 1947 — about 520,000 tons compared with last year's 630,000 tons. Most of the users of sugar have been buying on a hand-to-mouth basis, presumably holding off for markets to stabilize.

FOOD DISTRIBUTION PROGRAMS BRANCH

Branch is developing material for a canning manual, designed especially for school lunch cooks canning in school lunch kitchens. Officials feel the manual will fill a need not met by handbooks already available on home and community canning. It will cover use of equipment larger than that commonly used in the home but smaller than that found in community canneries.

Six thousand tons of Black Mission figs purchased with Section 32 funds are going to schools for use in lunches. Also a fact sheet on figs is being distributed as part of a joint effort of USDA and the fig industry to help move a surplus of approximately 10,000 tons of figs. Current prices to growers are less than one-third of those received last season.

SHIPPING AND STORAGE BRANCH

Commodity Credit Corporation embargoes effective February 13 and 14 prohibited the loading of potatoes for export from most of the North Atlantic states, with the exception of Maine. These temporary embargoes were instituted to assure equitable distribution of car equipment, since there has been a great shortage of refrigerator equipment west of Chicago. However, permits may be granted to allow loading of ships already scheduled. These embargoes, plus the fact that considerable quantities of potatoes in warehouses are not meeting U. S. No. 1 grade qualifications, have necessitated changes in the planning of ship berthing. One ship originally scheduled for Philadelphia was moved to Portland, Me., and another vessel was moved from New York to Searsport, Me. Just prior to the embargo, the Army requested shifting of a vessel from Searsport to Portland, Maine. It also was necessary to divert cars from Philadelphia to New York to finish loading a vessel. The embargo also resulted in a temporary halt of shipments of off-condition potatoes to Publicker Industries, Inc., Philadelphia; cars rejected at ports for export movements are now being diverted to this outlet. The contract to this outlet has been increased to 450,000 bags and extended to March 15, 1948.

MARKETING FACILITIES BRANCH

Members of the National Classification Board of the American Trucking Association will meet with representatives of the poultry industry in Chicago, March 3-5, to discuss changes in rules, regulations, and minimum weights proposed by the Board in connection with egg shipments. Branch representatives will attend in the interests of producers.

COMPLIANCE AND INVESTIGATION BRANCH

The following were fined for violations of WFO-66 (malted grains): Harold F. McEvoy, secretary-treasurer of King Cole Breweries, Inc., Cicero Heights, Ill., pleaded guilty and was fined \$2,500. Samuel R. Rubenstein and William Rubenstein, brokers of Chicago, Ill., pleaded guilty and each was fined \$500. A plea of nolle contendere was entered on behalf of King Cole Breweries, Inc., and a nominal fine of \$1 imposed because the corporation is now going through bankruptcy proceedings.

